

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6771

BILL NUMBER: HB 1265

NOTE PREPARED: Mar 8, 2010

BILL AMENDED: Feb 24, 2010

SUBJECT: Coal bed methane property.

FIRST AUTHOR: Rep. Battles

FIRST SPONSOR: Sen. Steele

BILL STATUS: Enrolled

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill defines "coal bed methane" and expands the definition of "commercially minable coal resource". The bill prohibits coal bed methane extraction before July 1, 2012, unless (1) the owner of the coal from which the coal bed methane is extracted consents; or (2) the coal bed methane is extracted from a well that is operated under a permit issued by the Department of Natural Resources (DNR). The bill requires the Natural Resources Study Committee to study certain oil, gas, and coal bed methane issues.

Effective Date: Upon Passage.

Explanation of State Expenditures: The bill would impact FY 2010 if the committee held a meeting or meetings that it would not have held were it not for the need to study the topic assigned under the bill. If the committee met an additional time or times to consider the topic, per diem and travel expenses for the committee would increase. However, total expenses for the committee could not exceed its budget, which is established by the Legislative Council. The budget for the 2009 interim was \$9,500.

The study committee is funded from state General Fund appropriations to the Legislative Council and Legislative Services Agency (LSA).

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: LSA.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.